

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Hamlin Mortgage Company  
130 Hampton Circle, Suite 150  
Rochester Hills, Michigan 48307

Enforcement Case No. 06-4600

License/Registration No.:

FL-2334 / SR-1128,

Respondent.

Issued and Entered,  
This 18<sup>th</sup> day of March, 2009,  
By Stephen R. Hilker,  
Chief Deputy Commissioner

CONSENT ORDER REVOKING FIRST MORTGAGE LICENSE  
AND REVOKING SECONDARY MORTGAGE REGISTRATION

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation ("OFIR") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, MCL 493.51 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in

the public interest.

4. All applicable provisions of MAPA have been met.

5. Hamlin Mortgage Company ("Respondent") violated MCL 445.1652(4), MCL 493.52, MCL 445.1671(1)-(3), MCL 493.67(1), MCL 493.68, MCL 445.1672(a)-(b) and (g), MCL 445.1673(1), and MCL 493.75.

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.

2. Respondent shall CEASE and DESIST from violating MCL 445.1652(4), MCL 493.52, MCL 445.1671(1)-(3), MCL 493.67(1), MCL 493.68, MCL 445.1672(a)-(b) and (g), MCL 445.1673(1), and MCL 493.75.

3. Forthwith, Respondent shall CEASE and DESIST from engaging in any activity requiring licensure or registration under the MBLSLA or SMLA. The Chief Deputy Commissioner acknowledges that Respondent surrendered its first mortgage license certificate and secondary mortgage registration certificate in accordance with applicable provisions of the MBLSLA and SMLA, in December, 2007.

4. Respondent's first mortgage broker license, issued pursuant to provisions of the MBLSLA, shall be and hereby is REVOKED.

5. Respondent's secondary mortgage broker registration, issued pursuant to provisions of the SMLA, shall be and hereby is REVOKED.

6. Respondent, any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's officers, directors, and shareholders individually, shall not make application to the commissioner for licensure or registration under the MBLSLA, SMLA, or the Consumer Financial Services Act, 1988 PA 161, as amended, MCL 487.2051 *et seq.*, for a period of 2 years from the effective date of this order as shown in the caption hereof.

7. The Commissioner specifically retains jurisdiction over the matters contained herein

and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.

A handwritten signature in dark ink, appearing to read "Stephen R. Hilker", is written over a horizontal line.

Stephen R. Hilker,  
Chief Deputy Commissioner

STATE OF MICHIGAN  
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Respondent.

STIPULATION TO ENTRY OF CONSENT ORDER  
REVOKING FIRST MORTGAGE LICENSE AND  
REVOKING SECONDARY MORTGAGE REGISTRATION

Hamlin Mortgage Company ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff ("Staff") conducted an on-site examination of Respondent's books and records commencing on May 5, 2005, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1661(2)(c), and Section 6b(2)(b) of the Secondary Mortgage Loan Act ("SMLA"), MCL 493.56b(2)(b). The examination concluded on September 29, 2005.
2. On or about December 22, 2006, a Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, the MBLSLA, 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the SMLA, 1981 PA 125, as amended, MCL 493.51 *et seq.*
3. The NOSC contained allegations that Respondent violated the MBLSLA and SMLA

and set forth the applicable laws and penalties which could be taken against Respondent.

4. On March 27, 2007, Respondent exercised its opportunity to show compliance at an informal conference with OFIR. Staff determined that Respondent had not made a sufficient showing of compliance related to significant and material allegations contained in the NOSC. Respondent asserts that it made a sufficient showing of compliance related to each and every allegation contained in the NOSC.

5. On October 9, 2008, in accordance with appropriate provisions of the MBLSLA and SMLA, OFIR issued to Respondent a Notice of Intention to Revoke License ("NOIR"). The NOIR informed Respondent of its right to a hearing if requested within 20 days.

6. Within 20 days of the NOIR, Respondent contacted OFIR and indicated its desire to resolve this matter.

7. OFIR and Respondent have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

8. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the MAPA, the MBLSLA, and the SMLA.

9. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker and lender pursuant to the MBLSLA, and registered with OFIR as a secondary mortgage broker and lender pursuant to the SMLA.

10. Based upon the allegations set forth in the NOSC, NOIR, and communications with Respondent, the following facts were alleged:

a. Respondent conducted activities under the MBLSLA and SMLA with, and compensated for such activity, independent contractors that are not employees of Respondent and are not licensed, registered or exempt under the MBLSLA or SMLA, in violation of MCL 445.1652(4) and MCL 493.52.

b. Respondent failed to maintain, preserve, and keep available books, accounts, records, and documents of the business for examination by the commissioner to determine whether the business of Respondent is conducted in accordance with applicable law, in violation of MCL 445.1671(1)-(2), MCL 493.67(1), and MCL 493.68.

c. Respondent failed to properly report lending activity on its 2003 and 2004 annual reports, in violation of MCL 445.1671(3).

d. Two of Respondent's employees, agents, and independent contractors engaged in fraud, deceit, and material misrepresentation in connection with residential mortgage loan transactions governed by the MBLSLA.

Respondent is responsible for the fraudulent, deceitful and misrepresentative conduct of its employees. The activity engaged in by Respondent's employees violated Section 22(b) of the MBLSLA. Therefore, Respondent is in violation of Section 22(b) of the MBLSLA, MCL 445.1672(b).

e. Respondent's employee, agent, or independent contractor that held the position of branch manager of a branch office of Respondent located in Detroit, refused or failed to permit the commissioner access to examine certain information or documents necessary to conduct or complete the examination, in violation of MCL 445.1672(g).

f. Respondent failed to conduct business in compliance with applicable law, in violation of MCL 445.1672(a) and MCL 493.75.

g. Respondent paid referral fees to companies in violation of Section 3500.14(b) of the Department of Housing and Urban Development's Regulation X, implementing the Real Estate Settlement Procedures Act.

Respondent's failure to comply with Section 3500.14(b) of HUD's Regulation X, is a violation of MCL 445.1672(a).

h. Respondent paid unearned fees to companies for settlement services in violation of Section 3500.14(c) of the Department of Housing and Urban Development's Regulation X, implementing the Real Estate Settlement Procedures Act.

Respondent's failure to comply with Section 3500.14(c) of HUD's Regulation X, is a violation of MCL 445.1672(a).

i. Respondent charged four borrowers fees for their credit report that exceeded the actual expense incurred for their credit report, in violation of MCL 445.1673(1).

11. Respondent disagrees with and vigorously denies each allegation set forth in paragraph 10. Nonetheless, in the interest of resolving this matter without incurring additional litigation time and expense, and without admitting any wrongdoing, Respondent has agreed to enter into this Stipulation and to the entry of the Consent Order, which shall resolve all violations

alleged in the NOSC. Further, Respondent agrees to CEASE and DESIST from any and all of the violations alleged in paragraph 10.

12. Respondent agrees to CEASE and DESIST from engaging in any activity requiring licensure or registration under the MBLSLA or SMLA. In December, 2007, Respondent surrendered its first mortgage license certificate and original secondary mortgage registration certificate in accordance with applicable provisions of the MBLSLA and SMLA.

13. Respondent agrees that its first mortgage license and secondary mortgage registration shall be REVOKED by the commissioner.

14. Respondent agrees that Respondent, any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's officers, directors, and shareholders individually, shall not make application to the commissioner for licensure or registration under the MBLSLA, SMLA, or the Consumer Financial Services Act, 1988 PA 161, as amended, MCL 487.2051 *et seq.*, for a period of 2 years from the date of signing of an order by the Commissioner ordering the terms of this stipulation.

15. The procedural requirements of the MAPA, the MBLSLA, and the SMLA have been complied with in all respects by both parties.

16. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent agrees to the Commissioner holding a formal administrative hearing and making his decision after such hearing.

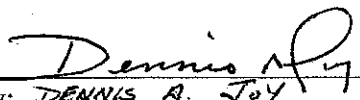
17. The failure to abide by and fully comply with the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

18. The Commissioner has jurisdiction and authority under the provisions of the MAPA, the MBLSLA, and the SMLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.

19. Respondent has had an opportunity to review this Stipulation and the accompanying


Consent Order and have same reviewed by legal counsel.

HAMLIN MORTGAGE COMPANY

  
By: DENNIS A. Joy  
Its: PRESIDENT

3/3/09  
Dated

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

  
By: James Westrin  
Staff Attorney

3/6/09  
Dated